



U.S. Immigration
and Customs
Enforcement

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News Release

FIVE SOUTH BAY RESIDENTS FACE FEDERAL CHARGES AFTER BREAK UP OF MAJOR ASIAN PROSTITUTION SCHEME

SAN JOSE – Five Chinese nationals from the South Bay are in custody this afternoon facing federal charges following the execution of search warrants yesterday targeting 10 unlicensed massage parlors that were allegedly being operated as brothels in San Jose, San Mateo, and Santa Clara. The suspects, who are expected to make their initial appearance in federal court here this afternoon, are charged in a criminal complaint with conspiring to conceal and harbor illegal aliens for financial gain.

The arrests and searches are the result of a year-long undercover investigation called “Operation Bad Neighbor” that involved U.S. Immigration and Customs Enforcement (ICE), the Internal Revenue Service (IRS), and the police departments of San Mateo and San Jose. The investigation began in the fall of 2004, when one of the suspects sought to bribe a police officer for the dismissal of local pimping and pandering charges against one of the other defendants.

According to the criminal complaint in the case, the five defendants operated a series of unlicensed underground massage parlors in South Bay residential neighborhoods that employed illegal alien women from Asia as prostitutes. In an effort to prevent the brothels from being detected, the defendants allegedly bribed undercover officers, posing as corrupt police officers, for “protection” of the brothel sites.

Those charged in the complaint include:

Xiao Fend Shen, a.k.a. “James,” 34, of San Jose, tourist visa overstay;
Yan Song, a.k.a. “Katie” and “Cathy,” 42, of San Jose, lawful permanent resident (conditional);
Ming Sun, 31, of San Jose, tourist visa overstay;
Jia Jing Chu, a.k.a. “Peter,” 34, of San Jose, under a stay of deportation; and
Ai-Ching Chang, a.k.a. “Tina,” 45, of Sunnyvale, lawful permanent resident (conditional).

In addition to the criminal arrests, officers are interviewing 31 women who were found working at the brothels. The women, who are nationals of Taiwan, China, and Korea, are being interviewed as potential material witnesses in connection with the investigation. The women are being provided with appropriate medical care and victim-witness assistance while in custody. Investigators are interviewing the women to determine whether any of them were forced to engage in prostitution or were the victims of human trafficking.

“Operation Bad Neighbor targeted an alleged scheme of alien harboring tied to brothels posing as massage parlors,” said Kevin V. Ryan, United States attorney for the northern district of California. “The crimes alleged in this case degrade the women involved and have a detrimental impact on the quality of life in our neighborhoods.”

According to the criminal complaint, law enforcement officers received anonymous tips during the investigation alleging that some of the women may have been victims of sex trafficking. In one instance, a woman who claims to have worked for Song, alleged that the defendant purportedly offered women assistance in fraudulently obtaining U.S. citizenship in exchange for money. The anonymous complaint alleged that the women would work off their debts by engaging in prostitution and that Song threatened to withhold the women’s immigration papers until their debts were repaid.

“Unfortunately, people who are lured to this country for illicit purposes are often treated like a commodity, making them an easy target for all kinds of exploitation,” said Charles DeMore, special agent-in-charge of ICE investigations in San Francisco. “ICE is committed to using its immigration authorities to attack and dismantle criminal enterprises that prey on the vulnerable, threatening the welfare of not only the victims, but of entire communities.”

In conjunction with last night’s arrests, officers executed search warrants at 14 locations, including 10 suspected brothels. During the searches, investigators seized approximately \$170,000 in cash. In addition, agents served search warrants on bank accounts associated with three of the defendants, seizing an additional \$208,000.

The case is being prosecuted by the U.S. Attorney’s Office for the Northern District of California. If convicted on the harboring charge, the defendants face a maximum statutory penalty of 10 years in prison and a \$250,000 fine.

ICE

U.S. Immigration and Customs Enforcement was established in March 2003 as the largest investigative arm of the Department of Homeland Security. ICE is comprised of four integrated divisions that form a 21st century law enforcement agency with broad responsibilities for a number of key homeland security priorities.